

November 7, 2000

IN RE: DOCKET NO. 2000-457-C – **AMTEL SOUTH CAROLINA, LLC** –
Application for a Certificate of Public Convenience and Necessity to
provide Local Exchange Telecommunications Services.

**COPY OF TESTIMONY OF BENNIE E. HEWETT ON BEHALF OF
AMTEL SOUTH CAROLINA, LLC HAS BEEN DISTRIBUTED TO THE
FOLLOWING:**

E. Coates

Legal (2)

Exec. Director

Manager, Utils Dept.

Audit (2)

Commissioners (7)

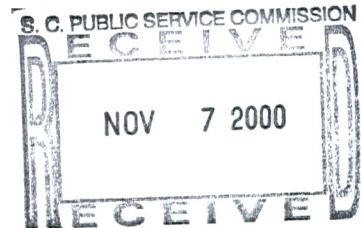
pao

JOHN DAVIS McLEOD
ATTORNEY AT LAW
DRAWER 30
WINNSBORO, S.C. 29180

PHONE 803-635-3330
FAX 803-635-2911

106 N. VANDERHORST STREET

November 7, 2000



Mr. Gary E. Walsh
Executive Director
SC Public Service Commission
Koger Executive Center
101 Executive Center Drive
Columbia, SC 29210

By Hand Delivery

RE: Docket No. 2000-457-C
Application of AM-TEL South Carolina, LLC for
Certificate of Public Convenience and Necessity

Dear Mr. Walsh:

I herewith deliver to you by hand an original and
twenty-five (25) copies of the Pre-Filed Direct Testimony of
Bennie E. Hewitt in the captioned application.

Also, attached are five (5) additional copies which I
ask be likewise clocked and returned to me.

Yours very truly,

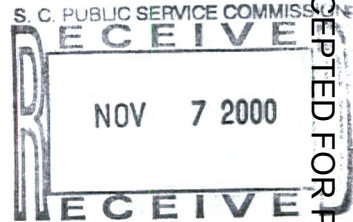
John D. McLeod

JDM/dm
Enclosures



POSTED
11-7-00

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION



IN RE: Docket No. 2000-457-C - Application of AMTEL South Carolina, LLC, For a
Certificate of Public Convenience and Necessity to Provide Local Exchange
Telecommunications Services

PREFILED DIRECT TESTIMONY OF BENNIE E. HEWETT

FILED ON BEHALF OF AM-TEL SOUTH CAROLINA, LLC

Q. Please give your name , age and address and a summary of your education,
military and business experience.

A. My name is Bennie E. Hewett. I am 62 years old and reside at 310 Dixon Dr.,
Gainesville, Georgia. I graduated from Abraham Baldwin Junior College in Tifton,
Georgia in 1958. I attended Georgia Tech the fall quarter of 1960 on limited academic
scholarship.

After college I went in the U.S. Air Force Reserve and attended an electrical and
mechanical school for seven months at the beginning of my tour of duty with the Air
Force.

In 1961, after seven months in the Air Force, I started my own company, Capital
Loan Company of Gainesville, Inc. I have been in the finance business since then. I have
a total of 120 business locations, 33 in Georgia, 42 in South Carolina and the rest in
Louisiana and Texas.

Q. Are you now expanding the scope of your business?

RETURN DATE: 11-7-00
SERVICE: OCJ

A. Yes. I have recognized the opportunity to expand my business by offering prepaid local telephone service to the customers I serve in my finance business locations. For that purpose I formed a Georgia corporation with the name of AM-TEL, Inc. That corporation has been awarded a Certificate of Authority by the Georgia Public Service Commission to provide prepaid local service in Georgia. The address of that company is 324 Bradford Street, NW, Gainesville, Georgia. I am President and sole stockholder of AM-TEL, Inc. and Louise Martin is Secretary. AM-TEL, Inc., as of November 1, 2000, is already serving about 1500 customers in Georgia. I also have an application pending for AM-TEL Louisiana, LLC in Louisiana.

Q. Is part of that expansion plan the reason for the Application before this Commission today?

A. Yes. In order to expand into South Carolina, I formed AM-TEL South Carolina, LLC, under the law of Georgia but have registered with the South Carolina Secretary of State to do business under that name in South Carolina. A copy of the Certificate of Authority for AM-Tel South Carolina, LLC, to do business in South Carolina is included as an exhibit to its Application for a Certificate of Public Convenience and Necessity here in South Carolina. We would ask that the Application of AM-TEL South Carolina, LLC, and all exhibits and attachments be made a part of this record in this hearing.

Q. Who is the owner of AM-TEL South Carolina, LLC.

A. I am the sole shareholder in AM-TEL South Carolina, LLC.

Q. What is the purpose of your appearance here today?

A. I am before you today to furnish information regarding the ability of AM-TEL

South Carolina, LLC, to provide managerial, financial and technical backbone to the services it seeks to provide. I again refer to the application filed with this Commission by AM-TEL South Carolina, LLC, and the exhibits attached to it, all of which explains in detail the plans of AM-TEL South Carolina, LLC to provide prepaid local exchange service throughout South Carolina as well as its managerial, financial and technical capabilities.

For convenience I am going to hereafter refer to AM-TEL South Carolina, LLC, simply as AM-TEL.

Q. What customers do you anticipate that AM-TEL will serve?

A. AM-TEL's customer will be the individual who has had his phone disconnected for various reasons or who has voluntarily left their local exchange provider or who, for money management or other reason prefers to have their need for local telephone services provided for a set and prepaid fee.

Q. Describe the services that AM-TEL will provide.

A. The services provided by AM-TEL will allow a customer to place an unlimited number of calls per month in their local calling area as well as 911 calls and toll-free calls. Optional services available will be call waiting, three-way calling, speed dialing, call return, unpublished numbers, caller ID, call forwarding and wire maintenance plan.

Q. What technical staff does AM-TEL have to assure quality service?

A. The technical expertise to provide these services will be provided by my sons Roger and Matthew who have the computer background and the technical know how to support the services to be offered. I have a general knowledge of computers and how

they work in a business setting and will be able to assist also.

BellSouth and Alltel will actually own the lines and switches that provide the telephone service so their expertise underwrites ours, so to speak.

Q. What about the finance and management side of the business?

A. In respect to the financial and managerial side of the business, we have adopted a bill format and billing practices.

The customer will be billed 10 days prior to due date, will be due for payment 30 days after phone is connected and be subject to disconnect 5 days after due date, or the next day permitted by your regulations if a waiver is not granted.

Q. Do you ask that the Commission waive Regulation 103-633?

A. Yes, we ask that Regulation 103-633 be waived, or at a minimum the portion thereof that prohibits disconnect except Monday through Thursday be waived. We believe that the written notice in the bill about disconnect five days after the due date satisfies the notice requirement of your regulations.

Q. What provision has AM-TEL made to provide a convenient means for customers to contact AM-TEL for repair or other questions?

A. A toll free number for questions and inquiries is printed on the monthly bill received by all customers and will be handled by AM-TEL's trained staff which has been established for that purpose.

Trouble reports and customer complaints will be handled by a 24 hour a day, 7 day a week trouble reporting line which will be managed by AM-TEL or service center personnel who have direct contact with ILEC or CLEC systems and personnel.

Emergency service will be provided on a routine basis during normal business hours which are from 8:00 AM to 6:00 PM, Eastern Standard Time. After hours we will have a toll free number with a recorded message with instructions and a beeper number that the customer can call for help on his problem.

Q. What provisions have been made to insure that AM-TEL has sufficient financial strength to carry out its business plan?

A. Documents outlining our financial backing are filed with the Commission as part of the application. Briefly, Citizens Reinsurance, Limited, and AM-TEL, Inc. have entered a funding agreement which provides a \$750,000.00 line of credit to AM-TEL, Inc. By subsequent agreement, this same line of credit is available to your applicant AM-TEL South Carolina which is a start up operation. As you will see by the financial statement of Citizens Reinsurance in the application, its resources are more than adequate to cover the needs of AM-TEL. Citizens Reinsurance is owned by the same stockholder who owns AM-TEL, Inc.

Q. Can you summarize the tariff submitted by AM-TEL?

A. AM-TEL has submitted a tariff that is designed for its specific plan of operation. The proposed Local Exchange Tariff will initially offer the same basic services as those offered by incumbent LECs. However, AM-TEL's desire to serve the economically disadvantaged is tempered by the reality that many of these customers have historically been a poor credit risk and proposes a strong strategy to deal with these realities.

First, AM-TEL proposes monthly rates substantially higher than the current tariff rates offered by the local ILEC's.

Second, AM-TEL will require payment at the beginning of each service.

Third, AM-TEL will pay the local ILEC's a long distance block fee to ensure that the customers are unable to place long distance phone calls as well as all other caller paid information services.

Four, AM-TEL, as previously stated, requests a waiver of your Regulation 103-633 so that disconnect can be made immediately upon the expiration of the five days after the written notice and without regard to which day of the week that it falls on. If that waiver is not granted AM-TEL will comply with the rule absolutely even though it will give additional free service to the customer.

Q. Will AM-TEL charge a disconnect fee?

A. No.

Q. Where will the business records of AM-TEL be kept.

A. In Gainesville, Georgia, if permitted by this Commission. AM-TEL requests a waiver of Regulation 103-610 requiring that corporate books be kept in South Carolina as well as the other waivers requested in the Application.

Q. How will the consumer benefit from AM-TEL's proposed service in South Carolina?

A. The consumer will benefit from the certification of AM-TEL to provide local exchange service because it will provide competitive pricing on prepaid local exchange services. It will provide high quality prepaid local exchange lines, local customer care and direct attention to the customer at the local level. And, it will provide innovation and greater customer awareness of the options available in today's prepaid

telecommunications environment. Finally, it will allow AM-TEL, a southeast owned and operated company, to compete in the new telecommunications arena, thereby supporting the economy in the region.

Q. If this commission grants the certification sought by AM-TEL to do business in South Carolina, when would it commence its operation here?

A. AM-TEL would like to commence service throughout South Carolina immediately upon receiving its Certificate of Public Convenience and Necessity and in so doing agrees to meet the service standards promulgated by the Commission and to abide by all Regulations of the Commission which apply to Applicant except those which are waived.

Q. Has AM-TEL published the necessary Notice of Application and Hearing as required?

A. Yes. AM-TEL has completed all of the preliminary requirements of the Commission including the publishing of the legal notice of the Application and Hearing in The State of Columbia, The Sun News of Myrtle Beach, The Greenville News, The Florence Morning News and the Post and Courier of Charleston. We agree to provide all reports required by the Commission and abide by all customer service orders, complaints and inquiries in accord with the rules of the commission.

Q. Will AM-TEL agree to contribute to the universal access fund?

A. Yes, to the extent it may be required to do so by the Commission.

Q. Do you have agreements in force with BellSouth and Alltel?

A. AM-TEL has an executed agreement with BellSouth. Alltel will not sign an

agreement until this Commission issues the certificate to AM-TEL. If approved, AM-TEL will attempt to purchase service from all ILEC's in South Carolina for resale to its customers.

Q. What about the requirement that you provide a telephone directory listing for your customers?

A. We will have an agreement with all providers insuring that our customers will be included in their white pages. Accordingly, AM-Tel asks that the Commission waive Regulation 103-631 requiring the publication of a directory.

Q. How and where will AM-TEL market its services in South Carolina?

A. AM-TEL will market its services through the 42 locations of my finance business in South Carolina and perhaps through some freestanding stores in highly populated areas.

Q. Why do you feel that you are uniquely qualified to carry out this business plan?

A. I am familiar with the category of customer I intend to serve and have been since 1969. I understand the customer's needs and how to communicate with him as do trained people on staff who have been doing it in the past.

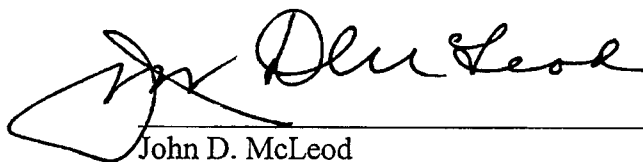
Q. What are some of the significant customer benefits that your business plan will provide to the customer?

A. AM-TEL will make local exchange service available to the economically disadvantaged on a prepaid basis that will absolutely prevent the buildup of large telephone bills. In a sense we provide a mandatory budget for the customer, at least in the communications arena. The customer will pay for 30 days in advance and during that

time will have the right to make an unlimited number of local exchange calls. There is no other obligation. In most cases, the category of customers AM-TEL intends to serve would not have service available otherwise. Thus local exchange service will be enhanced and nothing AM-TEL does will diminish the availability of affordable local exchange service nor will it otherwise adversely affect the public interest.

Q. Will AM-TEL use any other name?

A. Yes. AM-TEL will use the trade name of Phone Center Comm.

A handwritten signature in black ink, appearing to read "John D. McLeod", is written over a horizontal line.

John D. McLeod
Attorney for Applicant
P.O. Drawer 30
106 N. Vanderhorst St.
Winnsboro, SC, 29180
803-635-3330
Email: FMutual@infoave.net